

Moneymax[®] High Rollers



A chapter from the best selling book,

YOUR MONEY PERSONALITY

What It Is and How You Can Profit from It

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High Rollers

During the first period of a man's life the greatest danger is: not to take the risk. When once the risk has really been taken, then the greatest danger is to risk too much. By not risking at first one turns aside and serves trivialities; in the second case, by risking too much, one turns aside to the fantastic, and perhaps to presumption.

-Kierkegaard

GUIDELINES

HIGH ROLLERS

- . . . Enjoy the thrill associated with taking risks with their money.
- . . . Are discontent and frustrated with their current financial decisions,
- . . . Let their emotions guide their financial decisions.
- . . . Experience anxiety in dealing with their money management.
- . . . Desire that their money bring them feeling of power and prestige.
- . . . Get greater enjoyment in spending rather than saving their money.

Money is a psychological thrill for the Moneymax High Rollers. They have a strong desire to command attention, get recognition, and influence others with their money. This need for power and prestige often causes the High Roller to set impossibly high goals for themselves – goals they attempt to reach by taking inordinately high risks. Of all nine Moneymax groups, the High Rollers are the highest risk-takers. They seek sensation-filled lives and would rather spend money than save it. While some High Rollers earn large salaries and have considerable assets, on the average they are one of the lowest groups in income and assets (seventh and eighth respectively). They tend to be young, single, or divorced.

The High Rollers enjoy living on the edge of the unknown and would rather be financially insecure than bored. Some step over the edge into the world of gambling, for the essence of that world is risk; others don't even remotely resemble the stereotyped Las Vegas Gambler. High Rollers are usually creative, extroverted, competitive, and energetic. They work hard and they play hard. Regardless of occupation and lifestyle, the common thread that pulls them all together is risk.

Risk is inherently a valuable commodity. Without it, Columbus wouldn't have set sail for the New World, the Wright Brothers would never have flown at Kitty Hawk, the astronauts would never have landed on the moon. The History of the United States reflects the accomplishments of an impressive array of risk-takers who dared to invent, to innovate, and to push the boundaries of the country from east to west. Risk requires courage and action. It demands that you trade in the realm of certainty for the fear of the unknown. The rewards for successful risk-takers are plentiful. They enjoy personal as well as financial success. They believe in their own abilities to control their lives and can turn unrewarding lives into productive lives, or already productive lives into even more productive lives.

WALKING THE FINANCIAL TIGHTROPE

The Moneymax High Rollers understand that to reach a goal they must push themselves beyond their limits and that risk is part of the process. However, there is a difference between goal-oriented risk-taking for the sake of sensation. Goal-oriented risk-taking perception, evaluation, confidence, and assuming responsibility for action. It requires a focus on the goal so that the energies expended are directed toward the desired results. Sensation-seeking with money is not conducive for wealth accumulation as is goal-oriented risk-taking. Instead, risking for the experience of sensation, like trading stocks for the thrill of the transaction instead of the profit, creates short-term pleasure rather than long-term gain.

The Moneymax High Rollers want to experience thrill and excitement in financial transactions and money management. They have a great propensity and tolerance for risk but too often their attitudes and behavior do not advance them toward realizing their financial dreams and goals. They can be compared with the inveterate political campaigner who works very hard and is continually excited by the campaign – meeting new people, extensive travel and speeches – yet never wins the election. His thoughts, feelings, and behaviors are never directed toward winning, just running and campaigning. The High Rollers are financial campaigners.

We live in a society of “fast land economics” and the High Rollers are right at home. They pride themselves on being money savvy but do not like admitting their discontent with their present status – financial and personal. They continually struggle with what they know would make more sense – a practical way of handling their money – yet they are emotionally torn by the desire to gratify their sensation needs. Translated into financial terms, that the High Rollers go for the long shot instead of taking small, boring, and laborious steps. They can’t resist the temptation of the fabulous deal in lieu of a more sensible step-by-step money approach.

Some Moneymax High Rollers are financial solvent and can afford to indulge their desires for sensation and risk-taking while others can only express a vicarious longing for the “good life.” Many of those in the latter category might very well be in a more affluent position someday if they can set specific financial goals and commit themselves to a long-range strategy for achieving the goals.

The High Rollers are enamored with the financial journey. They set the journey up to be filled with risk, excitement, and big payoffs. They enjoy meandering down the road and like any distractions that happen by. The thrill is in the journey, not in the destination. In some cases High Rollers are disappointed and uncomfortable if they meet with financial success because they achieved a goal in spite of themselves.

Security is not a necessary goal for High Rollers. In fact, it can be their nemesis. Only 18 percent of the High Rollers choose “safety” as their number-one financial goal versus 46 percent who chose “current income.” Only 22 percent put “growth or appreciation” on top of the list of financial objectives. If life becomes secure, some High Rollers feel compelled to search for new sources of excitement and novel experience. Boredom – a state that is dull and tedious – is unacceptable to the High Rollers. When they are bored, they can indulge in risky financial investments, new business creations and adventures.

Choosing and investing in emerging growth companies is viewed much more enthusiastically by the High Rollers than by most of the other Moneymax groups. If a High Roller and a Hunter both invest in the same emerging growth stock, which is considered more risky than many investments, the High Roller contemplates the choice with more excitement than anxiety while the low risk-taking Hunter experiences a great deal of nervousness and little excitement. This tendency to desire and assume risk varies significantly from person to person and influences a wide range of areas, from personal to financial. Knowing whether you are a “high” risk-taker like the High Rollers or a “low” risk-taker like the Safety Players (to be discussed in

the next chapter) is very important. It is very important. It is crucial to managing your money and planning your investment strategies as well as choosing a career and even a potential spouse or business partner.

Most Americans, per the results of the nationwide Moneymax survey, do not seek risk with their money. That is because most people cherish certainty and security and fear the possibility of losing money. The horror of losing money is a very powerful emotion and stops many people from taking very many, if any risks with money. Some people can accept a loss on a good risk better than they can accept letting a good risk get by them without acting on it. Others are more conservative and take very little risk yet get angry at themselves when a very safe investment suffers a loss.

Obviously, investors willing to define and confront the negative emotion of fear when investing stand to outperform others as long as they truly understand their tolerance for risk. As one Wall Street analyst says, “Lots of people will tell you that they are risk-takers or risk-averse, but they really don’t know.”

The downfall for the High Roller is that big gains are most often matched by equally large losses. The same kind of counterphobic financial behavior the Hunters experience in emotional spending, the High Rollers experience in gambling and unwise investment choices and schemes. They fear they will lose and act out that fear, thus creating a self-fulfilling prophecy – loss. The High Rollers are not expecting to win – not really. They have no specific strategy, no game plan to win like the Entrepreneurs. The High Roller approach is more trial-and-error, fantasizing about the deal of the cards, the thrill of the horse race, the whims of the marketplace. They do not systematically hedge their bets but go for the long shot, hoping for a magical windfall gain.

For the High Rollers, money is magic. Here one day, gone the next. They don’t face reality and make a rational commitment to make the essential moves and significant changes necessary in their money systems and styles to assure more success. They resemble the

Hunters in this respect – stuck in a self-sabotaging money style. The unrealized financial potential of the High Rollers and the Hunters is never really put to the test because both groups don’t take an earnest look at themselves and what they’ve been doing to distract themselves from getting ahead. It’s easier to deny, distort, and ignore those feelings.

The High Rollers experience less pride than the Hunters in the way they handle money. While the Hunters score the highest in the trait of emotionality – that feelings guide financial decisions – the High Rollers are right behind them in second place. Both groups use money to act out how they are feeling at the moment. In addition, both groups are back to back in low contentment with money; the Hunters are just slightly less content than the High Rollers.

Someone once said that an opportunity is born every second and we have the choice to seize it or ignore it. The High Rollers often ignore the opportunity because their minds are shooting around so quickly that they miss it. They lose sight of what is important in getting the job done. The old adage, “Don’t be in such a hurry to make a living that you don’t make money,” applies to the High Rollers. Their sensation-seeking and emotional money style prevents them from achieving the financial success they desire.

Of all nine Moneymax groups, only two groups are comfortable with taking risk – first the High Rollers, second the Entrepreneurs. The Entrepreneurs are the number-one income earners; the High Rollers finish seventh of nine in income. Obviously, the Entrepreneurs have learned how to manage and capitalize on risk. For the High Rollers, risk can be a disaster.

High Rollers, like the Entrepreneurs, tend to take a chance if there is an opportunity that might pay big dividends. While the Entrepreneur’s sights are always set on the gain and the “financial win,” the High Roller gets distracted by the thrill of the ride – seesawing from high achievement to near disaster. The High Rollers are usually overly optimistic about their ability to win even when they are aware that the odds are against them. Little time is wasted in

regret over mistakes. The Entrepreneurs are much more analytical in assessing the odds and if they make mistakes, they use them as learning tools for future opportunities.

Many a High Roller enjoys the thrill of a stock transaction even more than the payoff. Since the Entrepreneurs are motivated more by ultimate performance, they set up goals and standards by which to judge the success of their stocks. The stocks become an investment game in which Entrepreneurs gather and hone skills and confidence for future transactions. For the High Roller, the investment game may be more like a roller coaster ride with no specific goal in mind or standards to judge any level of success. Rather, the thrill and exhilaration of the ride is what's most prized. Often they don't have a particular goal or strategy and even if they do, they tend to lose sight of their destination. Generally, the Entrepreneurs will walk away from the craps table when they are losing whereas the High Rollers might hang in there until there are no more stakes for the roll.

While the Entrepreneurs use their tolerance for risk to their advantage, as one of their assets in getting the job done, the High Rollers may use it to their detriment by making it their all. They get lost in the thrill of the journey, taking every path and side road just so they don't miss anything of value along the way. Unfortunately, the High Rollers don't see that the value lies down the road if they'd just continue walking at a reasonable pace and straight ahead.

Risk-taking can be described as betting. Whether you are buying a house or car, starting your own business, or playing the stock market – you are still betting. In most circumstances, you either bet on yourself or on fate. When you play the roulette wheel or jump on a “hot” stock market tip, you have no direct opportunity to affect the outcome. You are at the mercy of the odds combined with the skills of others to determine the likelihood of your win.

High Rollers prefer to keep themselves out of the financial equation. They would rather risk the odds by betting on fate and chance than by betting on themselves. Sometimes they spend large amounts of time and energy trying to predict the outcome of high-risk

investments or games of chance. Yet these same people may not feel comfortable betting on themselves whether they are playing in a tennis tournament, starting their own business, or competing for a job promotion. They avoid situations where their skill is challenged or their abilities become an integral part of the financial picture. David was such a High Roller.

STEPPING OVER THE EDGE

David never seemed to be able to please his parents. From his earliest memories through adulthood, the love of his parents was conditional. It depended on what he did right or wrong. His father was a very successful corporate executive in the clothing industry who had difficulty coping with a high stress job.

David's mother suffered from a variety of physical ailments, and a recovery from one usually signaled the onset of another. As soon as David was old enough, he became partly responsible for taking care of his younger sister. He walked her home from school, helped her with her homework, and made sure she got to bed on time. In addition, David had a daily list of chores that included helping out with the cleaning and cooking.

When David was twelve, he started to rebel by hanging out at the local park with a group of older classmates. His gang didn't commit any serious offenses, but they were a neighborhood nuisance. They drove bikes across manicured lawns, made crank phone calls, stole cigarettes from their parents. Once David and two friends got caught shoplifting in a drugstore but the owners didn't press charges and the boys got away with only a stern warning not to do it again.

David got a charge out of getting away with pranks. He sneaked out of the house to go on dates, drove cars without a license, made a little spending money by playing penny rummy and nickel craps. He wore his hair long and dressed in T-shirts and jeans when most students were wearing madras shirts and khaki pants. He liked

being different. David had learned at an early age that he got a lot more attention for doing something bad, instead of doing something good. Despite his unruly appearance and cocky attitude, David was a pretty good student and usually reaped As and Bs in his classes – grades that somewhat perplexed his teachers.

David gained admission to a nearby state university. His father wanted him to major in business or engineering – good solid professions with well-paying jobs. Instead, David majored in liberal arts. He loved being away from home, particularly away from his father's critical eye. For the first time he felt free and alive. Campus life was fun, exciting, full of new people and experiences. David, however, had a difficult time with his classes because earning good grades in college was much harder than in high school. He couldn't seem to concentrate and quickly became listless and bored. His grades were below average and he worried that perhaps he really wasn't good enough to be in college. Maybe the competition was too tough.

He sought escape and distraction by organizing a weekly poker game in his dormitory. While some of the guys played well, David was the best. Like many High Rollers, David was a strong competitor and gambling at cards gave him a psychological thrill. He won more often than he lost and the extra money was a welcome supplement to the meager financial assistance from his parents. The weekly poker games became nightly poker games as David recruited more students to play. By the end of the second semester, he had enough cash to buy a secondhand car and a new stereo system. He felt good about himself. He was earning a living before he even graduated from college.

The stakes in the poker games got higher and higher and David got richer. He was hooked. He was making money at something he really liked and he had become an expert. Because the games often lasted until the middle of the night, David frequently skipped his morning classes, and his grades plummeted. When his parents refused to give him any more money for tuition and housing, David dropped

out of school. Somehow, he'd find a way to make a living without a college education. He found his way by gambling.

Until David was forty-six years old, he gambled for a living. Gambling was a refuge where no one could call him a failure because no one knew for sure when he would be lucky or not. His track record certainly spoke for itself. He bragged that he usually had a six-figure income and he won cars, real estate and other high ticket items when opponents couldn't meet their debts in cash. At thirty-two David had enough saved to start lending out money at a 20 percent rate of return for second mortgages. He had found another way to make a lot of money. For David, it all seemed so effortless, and he was flying high. He began to spend some of his money on men's favorite toys – a nice power boat, a place at the beach, a Rolls Royce. He took his dates on plush vacation trips and spared no expenses.

High Rollers like the power base that they feel is gained through money. Material possessions, recognition and status, and the exciting lifestyle gleaned from money provide them with a sense of self-worth that can otherwise be absent. For David, the benefits were particularly intoxicating because he had the money to buy whatever he desired.

David drifted from one card game to another, traveling internationally for bigger stakes and more excitement. Everything was going fine and yet it wasn't. Something was missing. He decided that he needed an important relationship in his life. He became involved with one beautiful, flashy woman after another, and the relationships bolstered his self-image. Soon the chase became boring and he felt no better; in fact, he felt even more frustrated. He had gone through a lot of money, taken time off from playing poker, and had nothing to show for it.

His overall dissatisfaction with his life led him to seek professional advice. When working with David, I tried to make him aware of how he had always been afraid to really risk putting himself on the line. He was willing to take many risks but none that involved his own self-esteem, typical of High Rollers, who can insulate

themselves from their feelings through his high stimulation with their money. Focusing on a goal, making a commitment, and applying himself were too close to what his parents seemed to want but never really encouraged or reinforced with their actions. David was not in touch with the fact that he wanted security and a feeling of success for himself. At least by playing poker, he was making money. He had chosen an offbeat, risky way to make a living, but gambling was a safety zone for him. Even though he had chosen an activity which many friends thought unworthy of his talents, he had proven to himself that he was capable of doing something. He was making money, not getting into too much trouble, and enjoyed poker and the kind of people it attracted.

It was difficult for David to risk his self-esteem because if he did fail, it would confirm what he felt from his family all along – that he was a loser and not worthy of respect. When High Rollers, like David, set themselves up for failure time after time, what they are really doing is playing out the you-will-be-a-failure theme prevalent in their unconscious or conscious mind. It is a rebellious act – a way of getting even and the way they have always gotten attention.

David tried his had at several full-time jobs before he found his niche as a commercial real estate broker. Today he orchestrates deals all around the world.

David still takes greater risks than most people would be willing to take with money. He still lends money for second mortgages but says he has only been burned once and his risks are now “covered”. David has, however, diversified his investment portfolio and now owns several apartment buildings, which he anticipates will appreciate substantially over the years. In addition, he gave up his singles’ apartment at the beach and bought a small home in a suburb of Los Angeles. This is in contrast to his previous “income only” High Roller investment style, which had no provisions for his future or his financial independence. After many years of living without security, David has adopted a more conservative philosophy in his life as well as his investments.

POWER, GAMBLING, SENSATION-SEEKING LIFESTYLES

High Rollers want more than profit and creature comforts with money. They want power. Of all nine Moneymax groups, the High Roller ranks first in the desire to have their money bring them power and prestige. The High Rollers are not content only to be rich. They want to be rich and famous; it’s a lot better to be rich and famous as opposed to rich and anonymous. Money is an instant passport to prestige, a ticket to the top of the heap. Money allows them to stand out from the crowd; it makes them feel respected, powerful, and influential.

American society glorifies and envies the rich. If you’ve been successful at making money, then obviously you have been doing something right. Money brings instant power and recognition. It enables the High Rollers to leave behind any feelings of worthlessness and move into the arena of self-respect. Money becomes an indicator of achievement and social value and shines like a bright medal on the lapels of those who have it. For the High Rollers, money provides a quick trip up the ladder of success, which is preferable to climbing up the ladder rung by rung. As a barometer of personal adequacy, money gives High Rollers a legitimate claim to status and public recognition.

Today, flaunting one’s money, in the form of conspicuous consumption, is acceptable as long as you observe some decorum of good taste. Power dressing, power cars, power possessions – whether they are full-length sable coats or designer sunglasses– are a means by which most people quickly size up net worth and personal worth. The High Rollers are keenly aware of the rules of status contest. Being dynamic competitors, they surround themselves with the material goods that become natural extensions of themselves. Prestige possessions are not purchased for intrinsic value and quality but for the success and affluence they represent. Even if the High Rollers lack a solid financial base, they need to surround themselves with the

accoutrements of the good life – concrete reminders that they are valuable.

High Rollers can be generous but too often their generosity can also be a ploy for power. The person who buys the tickets to the football game usually controls the arrangements for the day – what time the group will leave, how they will get to the stadium, where they will sit, if they will have dinner afterward. When High Rollers extend dinner invitations, they usually choose the restaurant, recommend items from the menu, choose the wine, pace the conversation, and decide when the evening should come to an end. They like being in command, making the necessary decisions.

Wanting and exercising power can be a positive personal asset. Power has, unfortunately, acquired many shades of meaning, most of them negative. The precise dictionary definition of the word is “the ability or capacity to act or perform effectively.” Nonetheless, most of us equate the desire for power with a desire for dominance and thus believe power to be egocentric, vile, and evil. If you are powerful, I must be powerless. If you win, then I must lose. Phrases like “power hungry,” “power driven,” and “power crazy” reinforce our negative attitudes.

Those people who have power, in a constructive sense, have the ability to seek out opportunities, influence people, and get the best out of life. They get good jobs and good promotions. In a world of constant negotiation, they act upon life rather than waiting to see what will be dealt out to them. They take risks and assume responsibility and control over their lives. They make good managers and good leaders whether involved in business, government, sports, or social clubs and organizations. The rewards for those who successfully use power as a source of personal strength are obvious: self-esteem, praise from their peers, financial gain.

The High Rollers have not properly channeled their need and desire for power. They believe that the power they extract from money can cure, or at best alleviate, personal problems that are unrelated to and unresponsive to money. They use money instead of

themselves as a power base. Money, like other forms of social power, whets the appetite for more. Each new gain in power is reassuring for the High Rollers, but the security it brings is temporary.

Someone once said that there are three ways to get money: “You’re either born into it, you earn it, or you marry it.” Some High Rollers have a fourth avenue; they gamble for money. Public gambling is very attractive to people who want power because they have a chance to excel in front of others by being big risk-takers and big winners.

A 1976 report of the federal Commission on the Review of the National Policy Toward Gambling revealed that 80 percent of Americans approve of gambling and two thirds have participated in some form of gambling. The United States offers many outlets for would-be gambling – lotteries, bingo, casino games, horse racing, dog racing, sporting events, billiards, neighborhood card games. Generally, most Americans indulge in gambling to an extent that does not harm their family lives and work habits or puts them into debt or bankruptcy. However, compulsive gambling can lead to personal as well as financial ruin.

To date, not much research has been done on the personalities, backgrounds, and motivations of compulsive gamblers. Estimates on the number of compulsive gamblers in the United States range from 1 to 9 million. Television and movie portrayals of gamblers tend to show them as either downtrodden, alcoholic deviants or sophisticated, attractive ladies’ men like Nicky Arnstein (Omar Sharif) in *Funny Girl*, who wore ruffled shirts and tuxedos. Both portrayals are inaccurate, but it is difficult to typecast a gambler. A study of 400 gamblers treated at the Johns Hopkins University Compulsive Gambling Counseling Center provides some very interesting, sometimes surprising, information. According to the center’s findings, gamblers often come from a middle to upper middle class background. They are articulate and intelligent with IQs that range from 120 upward. Most first learned about gambling from a member of the

family, and most, when in their late teens or early twenties, had a “big win” that made a lasting impression on them.

Other treatment center studies and surveys describe gamblers as confident, independent, energetic, and adventurous. As one expert says, “These people are not strung out. They’re not sitting on curbs. They’re bright, they’re producers. The characteristics that go into making a pathological gambler frequently include those you look for in ‘good people.’ ”

In their book on compulsive gambling, *When Luck Runs Out*, Dr. Robert Custer and Harry Milt draw a composite picture of the gambler: “He is a friendly, sociable fellow, cheerful and enthusiastic, generous and full of good will. He is clever, energetic, hardworking, and he generally does successfully whatever he undertakes. In social, organizational and business situations, he is confident, assertive, persuasive; he moves spontaneously and naturally into the role of leadership. Restless, hyperactive and easily bored, he is in constant need of stimulation, excitement, change. Bland, predictable situations with an assured outcome don’t interest him. He thrives on challenge, adventure, risk. The key to his personality is competitiveness. He needs to control, to win, to be better than everybody else, to be Number One.”

Most studies show that from 80 to 90 percent of compulsive gamblers are men. Male gamblers tend to prefer games which require some level of skill like sports betting or card playing, while female gamblers are drawn to lotteries, bingo, and slot machines. Regardless of the game, gamblers are all seeking a sense of power, mastery, control, and recognition that “the action” provides. They thrive on the sheer excitement of gambling and the thrill that comes from winning. The excitement generated from gambling eradicates the problems of the outside world – stress on the job, family arguments, house and car payments.

Gamblers scoff at the fact that 90 percent of all gambling ends in a loss. They are a part of the winning 10 percent. Immune to the odds, they have an almost limitless capacity for self-delusion,

believing that the next wager will result in a windfall gain. When they are ahead, on a roll, they rarely quit. When they lose, they feel betrayed and anxious. The only way to overcome the anxiety of losing is to return to the game and get even, get ahead. Walter Matthau, an actor who has played his share of roles as a gambler and con man, describes the motivation of the compulsive gambler as follows: “Pain is what he’s searching for – the emotion of pain. It’s much greater than the emotion of pleasure. Bigger, larger, stronger. Therefore, more interesting.”

When the losses reach overwhelming proportions and debts mount up, compulsive gamblers get desperate, insecure, angry and hostile. They empty joint savings accounts, pawn or sell jewelry, cash in insurance policies, borrow money from family and friends. When necessary, they embezzle money from their companies, fully intending to pay it back as soon as their gambling debts are paid and their luck returns. Gambling for them can be an addiction as destructive as alcohol or drugs.

Of all Moneymax groups, the High Rollers will most likely contain the majority of compulsive gamblers and others who enjoy gambling. That in no way means that all High Rollers are gamblers or compulsive gamblers. As mentioned earlier, all High Rollers take risks with their money. That is not to say they risk at gambling casinos and racetracks.

Sensation seeking with money can be, for some High Rollers, one aspect of a lifestyle of high sensation. Those who like to speed on the freeways and listen to loud music may also like to ride the river rapids and ski the most challenging slopes. They may choose high-risk jobs, have a variety of sexual partners, be the last to leave a party. They may jump from one thing to another – changing careers, investments, spouses (of all Moneymax groups they are eighth of nine in married, second of nine in divorce).

For all the High Rollers who are flamboyant and daring, there are an equal number who live fairly conventional lives – work full time, raise a family and put children through college, spend a vacation

visiting relatives rather than taking a trip to Hawaii. Whatever the chosen lifestyle, High Rollers generally take chances with money. Be it high risk investments or high risk gambling, High Rollers want a big return on their money in a short period of time.

Even though many High Rollers claim they have no need for security, their behavior is often quite paradoxical. Many do have secure jobs, earn respectable salaries, and seem exemplary of conservative Middle America. Their outward appearances seem to make them un-

Likely candidates for speculative, high-risk ventures or investments. Yet lurking beneath the mask of deceptive exteriors is a High Roller mentality. Such was the case of Georgia, a junior high school English teacher who lived far beyond her means.

When I first met Georgia, she was recovering from financial losses on two “economic ventures.” More appropriately termed “adventures,” one involved a spiritual pyramid scheme and the other was an investment in a building product invented by her brother.

The “Spiritually oriented” pyramid was based on the premise that one doesn’t have to work hard to make money; that if you can change your prosperity consciousness, then “the universe will provide.” Structured around an airplane motif, each participant was first a passenger, then a crew member, and finally a pilot.

To qualify as a passenger, Georgia had to contribute \$1,500 and bring a friend who would also contribute \$1,500. As more and more people joined, Georgia would move up to crew. When she became a pilot, she would receive \$20,000. The participants met twice a week to discuss their strategies for getting more passengers to come on board. Georgia could start out as a passenger on as many planes as she wished – provided she contributed \$1,500 for each flight. No money was ever exchanged at the meetings. When Georgia became a pilot, she would be contacted by other participants who would each deliver a specified sum to her.

At Georgia’s first meeting there were seventy-five people. At the second meeting, three days later, the attendance had grown to

almost two hundred. She was ecstatic, She said, “It was such a fun way to make money. You couldn’t believe the energy level of those people. And they weren’t nobodies. There were lots of doctors, dentists, other very professional people.”

Georgia never got her \$20,000. Before she reached Pilot level, the police raided one of the meetings. Georgia was out \$1,500.

Six months before she became involved in the spiritual pyramid, Georgia gave \$5,000, her entire savings, to her brother, who had invented a new construction material that he assured her would revolutionize the building industry and make him a millionaire within a year. But he needed some start-up money and asked all of his friends and relatives to invest. Georgia was a supportive sibling and a willing investor.

Together they estimated how much money Georgia would make on her \$5,000 investment. She too would become wealthy, and within a short time frame. She withdrew the money from her savings account and happily handed it over. Within a few years she would be fabulously rich and she envisioned all the things she could buy and the trips she could take.

Within five months the dream was shattered. Georgia had never asked if her brother had a business plan, how he planned to get the necessary capital to support the business through its early years, whether her brother had a business manager lined up, none of the questions she should have asked. Georgia learned too late that while her brother may have been a creative inventor, he was a poor businessman. While he had been able to raise \$25,000, he quickly paid off some debts and took his family on a vacation to celebrate. Confident that he was going to line up some more investors, he spent the bulk of the money he had raised. He wasn’t able to interest any companies in his product; there were no more investors on the horizon; he declared bankruptcy. Georgia got none of her money back.

Georgia’s teacher’s salary was hardly sufficient to cover her investment losses. In addition, she was heavily in debt, due to excessive spending habits, particularly summer vacations spent in

Europe. She thought nothing of taking off on a trip and charging the vacations to American Express, although she knew she couldn't cover the bills when she returned.

Georgia despised her job as a teacher, despised being in a bureaucracy which she said was paralyzing and depressing. To compensate for her less than rewarding job, she found out what real life was like by traveling. "The only salvation in being a teacher," she claimed, "is the three months off each year. If I didn't have that I would go mad." Beneath Georgia's acquiescence to her boring and unfulfilling job was a High Roller desire for adventure and stimulation—desires that were satisfied by travel, spending sprees, and high-risk investments.

In her late thirties, Georgia had been a teacher for more than fifteen years. She lived in an apartment and had a host of monthly payments, including obligations on furniture, a car, and fourteen credit cards. Usually she was able to get friends to bail her out when payments of the bills were long overdue. The only reason she had the money to invest with her brother and in the spiritual pyramid was due to a luck break in the stock market. Since her profits didn't even begin to cover her debts, she decided to reinvest them and take the chance on multiplying her money. If all had worked out, she could have paid all of her bills and had a lot of money to spare.

The two losses had come at a very bad time. Georgia had run out of people to rescue her and she was very worried. She said, "I know this is going to sound really stupid, but sometimes I think I might end up like a bag lady, one of those sad creatures you see in reports about the homeless. I know I shouldn't feel like that; I still have a job and all. But I'm afraid of ending up alone and poor."

Georgia knew she didn't belong in the school system. One of frustration and boredom, she became involved in a variety of outside activities, she joined health clubs and meditation groups, worked for several volunteer organizations, and took language classes in French and Spanish. She was always juggling a lot of projects but was skating around the most important issue— that she was very dissatisfied and

wanted to make changes in her life. Mostly she wanted to switch careers but was hesitant to give up her secure job. "Single, in debt, and pushing forty," she said, "is not exactly an ideal combination to be taking big risks."

It is interesting to note that while Georgia was willing to take risks with her money, she stopped short when it came to risking a change of career. This is not atypical for High Rollers because they find it a lot easier to risk when it doesn't involve a personal commitment. Risking and losing on an investment or a game of chance was a lot more endurable for Georgia than risking possible failure in a new career.

Georgia did not perceive herself as a risk-taker. She was quite taken back to learn that her Moneymax Profile was that of a High Roller. She said, "I've taken some chances with my money and sure I've lost out but I've never lost that much, not like the kind of money that real gamblers lose."

Georgia constructed a new financial and career game plan as a result of counseling sessions geared to her Moneymax Profile. She realized that hard work and discipline, over a long period of time, would be necessary to alter her money behavior, but she felt that the potential end result was worth the price.

One of Georgia's liabilities was her impulsive decision-making with money— as it is with other High Rollers— and she worked on transforming her emotional spending into a structured savings program so she could ultimately start to build financial security.

After reducing her debt to a manageable level through personal sacrifice, which including paying off eleven of her fourteen credit cards, Georgia was ready to make investments. She began by opening a money market account, and every month forced herself to deposit at least \$500. Discipline doesn't come easy to the High Rollers, and changing her spending behavior did cause Georgia some anxiety. However, she was able to sustain her financial commitments because she was altering the dead-end course she had been on.

Georgia is rebuilding her financial life very slowly and now understands that her high tolerance for risk, if properly handled, could become an asset. She currently has a systematic monthly investment plan in conservative growth mutual funds. This kind of slow and diligent process is usually not attractive, nor tolerable, for the High Rollers, who prefer faster and more exciting action but this is a strategy that will work for them.

Within the next few years, Georgia wants to start looking for a home so she can start to build equity, and her forced savings plan will provide her with the case for the down payment. She hopes eventually to make a career change and saving her money will enable her to do that with more financial security and peace of mind, both of which she has learned to value.

IN PARTNERSHIP: TWO HIGH ROLLERS

Flo grew up in a small town outside of Eugene, Oregon. Her father, a quiet and unassuming man, worked for the city government, made a modest income, and always stressed the importance of frugality and saving money for his retirement. Flo's mother was a housewife, had never worked, and took great pride in her family and her home.

When asked how her mother was with money, Flo replied: "She never had enough. You see, my father had a college education and she didn't. Mother always felt that he always put her down because he was more educated. Whenever they had a fight about money, she told him that he was the one with the college education, and if it was so valuable, then why wasn't he making more money. My uncle, who was a plumber, made more money than Dad. My mothers always reminded him of that when she was mad. Mother wasn't exactly a spendthrift, but she always bought the things her friends had, even if she really couldn't afford them. She grew up in a big family – was the youngest of nine. I guess her family was pretty poor. She always talked about how she never got anything new; she

always got secondhand things like her sister's clothes and her brother's bike. When I was growing up, she was the one who paid the bills but my father made up the budget. She always complained about his numbers, especially for food and household things. She tried to get him to go shopping with her so he could see what things really cost but he would never go with her."

When Flo graduated from college, she moved to Los Angeles to take a job in the accounting department of a large hotel chain. It was an outstanding job and she wanted to move to Los Angeles because her sister and brother-in-law lived there. Flo worked her way through the company ranks and eventually was promoted to controller. During her early years with the company, Flo lived with her sister, paid minimum rent, and saved most of her money. She earned a good salary and bought a duplex in an upwardly mobile, trendy area, which she rented out. Flo was quite proud of her real estate investment and continued living with her sister until she met John, her future husband.

John was a real estate broker so they had a lot in common, and Flo was grateful for all the advice John gladly shared with her. He was handsome, dynamic, and quite different from the intellectuals she usually dated. While he was rich on paper and thin on cash, they went out frequently even if only to a movie and an inexpensive restaurant. Flo was captivated by John's take-charge style; he was a real decision-maker and a man who had great ambition and drive. He talked as much about the future as the present and was confident that life offered vast rewards for those who had the courage to go out and get them. John was attracted to Flo because she wasn't a man hunter, the dependent and desperate type. She had her own career, was a shrewd businesswoman, yet had a female vulnerability and sweetness that were very appealing. And she didn't try to change his strong-willed ways; she didn't try to "rein him in," as he put it. They were married less than six months after they met.

Soon after they were married, John located a large tract of land on the outskirts of Ventura County, perfect for a small shopping center. He convinced Flo to sell her rental duplex and relinquish a

second trust deed she had acquired several years before. He also persuaded her sister and brother-in-law to invest and was even able to squeeze a small sum of money from her father. Flo's boss at work contributed \$150,000 and became a general partner. John developed a very professional prospectus and attracted several other investors. He quit his job and at the same time bought a new house for Flo on the west side of Los Angeles. While he continued to work on the shopping center complex, John zeroed in on another prospective windfall, a piece of land suitable for an office complex. He asked Flo for what was left of her meager savings and set out to get more capital. John was feeling great; he was his own boss and the future looked very bright indeed.

Almost one year after the shopping center deal began, it came to an abrupt end due to difficulties with the utilities company lease agreement for part of the land – something John said would never be a problem. All of a investors were in an uproar, particularly Flo's family and her boss. John and Flo lost their new home and had to declare bankruptcy.

John's calamitous business dealings placed an enormous strain on Flo's personal and professional life. Her parents were furious and her boss barely spoke to her. Until she met John, she had been a good money manager; she made a living from her knowledge of sound financial practices. Now she had a bad credit rating, no assets, and no money except for her salary. Her marriage was in serious trouble and she recognized that she and her husband needed professional help. While John refused to seek marriage counseling, he did agree to try financial counseling.

At our first meeting, he said, "Well, I guess I had to come close to losing everything before I woke up. First my money, now my wife." He was concerned about "his" money even though the money he lost did not belong to him. He felt little, if not, remorse. In the second meeting, John spent fifteen minutes trying to negotiate a lower fee and asked that he not pay anything up front but be billed for all meetings. John canceled the third meeting and never returned. Flo

continued to work on solving her financial problems even after she divorced John.

John was a grand manipulator, a man who was not only self-destructive but also took his destruction out on others. He was a High Roller who never intended to test his own merits but used other for his own self-aggrandizement. Flo was also a High Roller even though she had had a good financial start. The hole in her armor was her vulnerability to John and what he represented. She risked everything for him – her career, her family, and her self-respect.

John obviously did not want to change his money style. For him the pain was only momentary and it was a lot easier once again to go down the path of least resistance rather than to take a hard and honest look at himself. For John it made much more sense to cash in on what others had accomplished with their money.

Flo, on the other hand, has a good chance of becoming financially successful and secure. She may have lost for the last time. She was attracted to John's High Roller style because she too was a High Roller. Flo's style was a lot less obvious than John's but she did want to feel powerful and important, even though much of her need was played out vicariously through John's escapades. Her desire for an exciting life stopped her from seeing personal and financial reality. Her perceptual skills were contaminated by her need to believe in John and all of the promises he made.

REFRAMING POINTS FOR HIGH ROLLERS

As a group, High Rollers have many positive, admirable characteristics. They have keen perceptual skills and move with ease from philosophizing about an idea to taking action. They have the ability to approach a problem from many angles and come up with creative interpretations and solutions. High Rollers can function effectively in unstructured work environments. They seek out the novel and uncertain and are willing to take risks to succeed. However, their poor money management skills tend to counteract their inherent

creative and ambitious nature. The following guidelines can serve as a beginning for change for this Moneymax Profile:

1. *Reevaluate your risk-taking.* If you are risking, have a thorough understanding of all the ground rules. Some ventures can be won; some cannot. Learn to know the difference; calculate your risks and act accordingly.
2. *Set your priorities.* Monetary success requires definitive goals and a plan to achieve them. Establish high standards of excellence and continually evaluate your progress against your standards.
3. *Choose moderation over extreme.* Moderate goals are preferable to long shots.
4. *Know your limits.* Be realistic about your current financial status and don't risk more than you can afford to lose.
5. *Get control over your money.* Assuming full responsibility and control over your money will replace anxiety with confidence.
6. *Remove emotions from your money.* Risking out of rebellion, fear, hurt, or anger contaminate goal-oriented risk-taking.
7. *Reevaluate your drive for power.* Use power for your own benefit and not to impress others.
8. *Take time to grow.* Patience may be a hard pill to swallow but diligence combined with talent and goal-oriented risk-taking will pay off.

MONEY MANAGEMENT STYLE

1. The High Rollers are tied with the Hunters for the highest satisfaction with the results of owning commercial property, perhaps because of their strong motive for power and prestige with their money. However, successful investing requires a rational instead of an emotional approach such as knowing how to evaluate

a property as to its price and profit potential versus an emotional approach, which is often the High Rollers' style and downfall.

2. Interestingly, they perceive commodities/options and futures contracts as highest in risk of all investment vehicles and are the most satisfied with these investments. Obviously, because High Rollers derive a great deal of their satisfaction from the emotional charge they receive from their money, this seems logical. In contrast, the financial tools that least interest the High Rollers are savings accounts and whole life insurance (lackluster vehicles).
3. The High Rollers are satisfied investors in money market accounts. They and the Money Masters are the most satisfied of all nine groups with this financial vehicle.
4. Even though the High Rollers are the most satisfied of all groups with money market accounts, they are even more satisfied with commodities/options and futures contracts.
5. They express a significant preference for use of commodities/options over futures contracts.
6. When they invest in common stock, the High Rollers have a tendency to choose direct ownership versus mutual funds. With individual common stocks, there is more of a personal challenge involved in selecting stocks as opposed to the mutual fund concept, which has professional management.
7. The High Rollers have the lowest satisfaction of all Moneymax group with all insurance vehicles.
8. It is advisable that High Rollers seek professional guidance when making investment decisions. Such an adviser should have the ability to counsel this risk-seeking money personality type. The adviser should have not only a broad base of investment knowledge but also a fundamental understanding of the motivations, shortcomings, and potential for maximizing financial success that are possible for the High Rollers. High Rollers should consult with someone who can educate them about various investments and who can determine the percentage of the portfolio

that should be allocated to the different levels of growth, safety, income, and tax advantage.

HIGH ROLLERS – FINANCIAL STATEMENT

Of all nine Moneymax groups, the High Rollers are the highest risk-takers and the group that wants the most power with money. The need for “money power” tends to make them take extreme risks or set impossibly high goals because the desire for prestige and status is greater than the desire for financial achievement. Whether they are making an investment or waging a bet, the High Rollers do not clearly size up the probability of success or, conversely, the probability of failure. The High Rollers experience a great deal of anxiety when managing money, making financial decisions, and thinking about decisions already made. They have low pride and contentment with their financial accomplishments. Like the Hunters, they are highly emotional with money.

In income the High Rollers rank seventh of the nine Moneymax groups; in assets they rank eighth of nine. A lack of goals, game plans, and focused persistence are their financial downfall. Once corrected, their ambition, drive, and penchant for risk will likely result in an escalation of both income and assets. They have a definite predilection for becoming Entrepreneurs. The High Rollers rank “current income” as their number-one investment priority – before appreciation, safety, and tax advantage. They tend to be young, single, and divorced.

We hope you have enjoyed this chapter from Dr. Gurney’s book, **Your Money Personality, *What It Is and How You Can Profit from It***

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